GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:92
ANSWERED ON:21.07.2017
Flexi-Funds under Centrally Sponsored Schemes
Ahlawat Smt. Santosh;Saraswati Shri Sumedhanand

Will the Minister of FINANCE be pleased to state:

a) whether the Government has raised flexi-funds availability in each Centrally sponsored scheme from 10 per cent to 25 per cent for the States and 30 per cent for the UTs of the overall annual allocation under each scheme;

b) if so, the details thereof along with the objective of increasing the flexi-funds; and

c) whether the Government has prepared any guidelines for monitoring, evaluation and audit of the flexi-funds and if so, the details thereof?

Answer

ANSWER

Minister of Finance
(Shri Arun Jaitley)

(a)to (c): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.* 92 REGARDING "FLEXI-FUNDS UNDER CENTRALLY SPONSORED SCHEMES" RAISED BY SHRIMATI SANTOSH AHLAWAT AND SHRI SUMEDHANAND SARSWATI.

(a) NITI Aayog vide O.M. No. O-11013/02/2015-CSS & CMC dated 17th August 2016 has issued instructions for Rationalization of Centrally Sponsored Schemes (CSS). As per para 6 of the said OM, flexi-funds available in each CSS has been raised from the current level of 10% to 25% for States, and 30% for UTs, of the overall annual allocation under each scheme.
(b) and (c): Guidelines for Flexi-Funds within Centrally Sponsored Schemes was issued by Department of Expenditure vide O.M. dated 6th September 2016. As per para 4 of the said O.M., the flexi-fund component within the Centrally Sponsored Schemes can be used to achieve the following objectives:

(i) To provide flexibility to States to meet local needs and requirements within the overall objective of any given Scheme at the sub-head level;
(ii) To pilot innovation to improve efficiency within the overall objective of any given Scheme at the sub-head level;
(iii) To undertake mitigation/ restoration activities in case of natural calamities, or to satisfy local requirements in areas affected by internal security disturbances.

With regard to monitoring, evaluation & audit, the OM dated 6th September, 2016 stipulates the following:

(i) Web-based reporting for the use of flexi-funds may be designed by adding modules to the existing MIS. Outcomes (medium term) and outputs (short term) should be part of the MIS along with pictures/ images and good practices to ensure greater transparency and learning across States.
(ii) Evaluation of flexi-funds may be done through the existing evaluation mechanism, including those set by the Ministries, NITI Aayog, or by independent third parties. Terms and conditions for evaluations may be designed in such a manner that outcomes of the Schemes as a whole, as well as the flexi-funds are well identified and measurable.
(iii) Flexi-funds within each CSS will be subject to the same audit requirements as the parent centrally Sponsored Scheme, including audit by the Comptroller & Auditor General.
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